much inefficiency, and then in ships, of which the supply will be very short. The process will be very slow and very costly. Our Overseas Army will have to be sent back to distant Dominions, and the Army of our American Allies will have to be ferried back over the Atlantic. Consequently if Germany is able to obtain anything like the supply of raw material that she requires she will be able to get back **to** peace business much more quickly than any of her Anglo-Saxon enemies, and this is an advantage on her side which it would be unwise to ignore in considering the bad effects on her after-war activities of the very questionable methods by which she has financed and is financing the war.

Since we are indulging in these comparisons, it may be interesting to consider how our American Allies are showing in this matter of war finance. The *Times,* in its ' City Notes " of April 15th, observed, in connection with the unexpectedly small amount of the third Liberty Loan, that the reason why the smaller figure was adopted for the issue was that it seems quite certain now that the original estimate for the expenditure in the fiscal year ending June 3oth next was much too high. This estimate was 18,775 million dollars. The *Times* stated that the realised amount is likely to be hardly more than 12,000 million dollars, of which about 4500 million dollars will represent loans to Allies, and

that the estimate for the year's largely increased tax revenue was 3886 million dollars, which now seems likely to be exceeded by the receipts. If this be so, out of a total expenditure of £2400 millions, of which £900